IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

WEDNESDAY, THE TWENTY SEVENTH DAY OF APRIL
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE B. SUDERSHAN REDDY

and
THE HON'BLE MR JUSTICE C.V.RAMULU

WRIT PETITION NO : 24404 of 1998

Between:

Indian Coffee Workers Co.Operative Society Limited, (Affiliated to
A.I.C.W.C.S.,Federation Limited Delhi),
rep.by it's Manager A.Chandrasekhar Nair, NTPC, Jyothinagar,Ramagundam,
Karimnagar District.

..... PETITIONER

AND

1 The Commercial Tax Officer
Peddapalli, Karimnagar Dist.
2 The Government of Andhra Pradesh, rep.by it's Secretary ,Revenue

Department, Secretariat, Hyderabad.

...RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue an order, direction or a Writ particularly one in the nature of WRIT OF MANDAMUS declaring the action of the respondents in including the subsidy on turnover as illegal and restraining the respondents from enforcing the demand notice No.566/97-98 dt.18.8.98 direct the respondents not to enforce the demand notice No.566/97-98 dt.18.8.98 and pass such further or other orders as this Hon'ble Court deems fit and proper.

Counsel for the Petitioner: MR.K.SRINIVASAMURTHY

Counsel for the Respondents: SPL GP FOR TAXES

The Court made the following :

ORAL ORDER: (Per Sri BRSR.J)

The subject matter that arises for consideration in this writ petition is squarely covered by the decision rendered by the Supreme Court in TISCO GENERAL OFFICE RECREATION CLUB Vs. STATE OF BIHAR in which the Supreme Court took the view that subsidy given by the management for selling items of food in the canteen for the benefit of its employees cannot be said to be directly relatable to any item of food and consequently cannot be regarded as part of the sale price of such items of food.

Following the said judgment, this writ petition is allowed. The respondents are directed not to enforce the impugned demand notice dated 18.8.1998. There shall be no order as to costs.

(B.SUDERSHAN REDDY,J)

DT.27.4.2005

(C.V.RAMULU,J)

msv.

That Rule nisi has been made absolute as above. Witness the Hon'ble Sri BILAL NAZKI, the Acting Chief Justice on this Wednesday, the twenty seventh day of April, Two Thousand and Five.

To

1 The Commercial Tax Officer
Peddapalli, Karimnagar Dist.
2 The Government of Andhra Pradesh, rep.by it's Secretary ,Revenue

Department, Secretariat, Hyderabad.

3 2 CCs to Special GP for Tax, High Court of A.P.

Hyderabad (OUT)

4 2 CD copies.